

Senator Prague, Representative Ryan and members of the Labor Committee:

I am writing on behalf of Chili's Grill & Bar and the 19 Casual Dining Restaurants in our State. We have done business in CT since 1987 and employ more than 1,400 residents. I am submitting testimony against SB63, An Act Mandating Employers provide Paid Sick Leave to Employees.

The costs of doing business in our state are among the highest in the Nation; with one of the highest minimum wages and cost of living expenses. The average full time Chili's employee in CT earns \$12.14/hour. On average, each individual restaurant secures close to 50 employees that would qualify for this benefit.

- FT employee earning 39 sick hours in 2011 = \$473.46 [$\$12.14/\text{hr} \times 39 \text{ hours}$] cost/person.
- # of employees/restaurant [average] that would qualify for benefit = 50
- Total [average] cost per restaurant in 2011 = \$24,000
- Total cost to Chili's in CT in 2011 = \$456,000

Unique to the Restaurant Industry is the *Urgency of Replacement*, unlike many other industries that could simply do without that individual for a given shift. With that, we maintain that that cost could be doubled, by not only having to pay the individual out of work, but also for the person who replaced them on that particular shift. With a penny profit business such as a restaurant, that would put many restaurants right out of business; compounding the unemployment issues we already have.

From a different perspective, most of our Front of House employees [Dining Room – I.e. servers; bartenders; service assistants] are tipped employees. They would prefer to trade a shift with a co-worker, if they were unable to work due to illness. This is essentially how our industry works. This allows them to keep the tip potential they would earn. If the average shift is 6 hours long – they would only earn \$49.50 in sick pay, which is far short of their earning potential with gratuities.

Currently, Chili's accrues vacation pay for our employees in a similar fashion as this bill presents. We do allow them use these accrued hours for time-off needed for a variety of reasons; including illness. Our Managers are diligent with upholding proper sanitation standards in house in the interest and safety of our consumers and employees. We would like to have the option to continue that process to meet both the financial and operational needs of our business and employees.

Thank you for your time.

Irene A. Pia
Area Director, Chili's